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TO: Constitutional Officers, Cabinet Secretaries,
All Agency Heads, and Fiscal Officers

FROM: Jonathan Miller, Secretary
Finance and Administration Cabinet

DATE: March 10, 2010

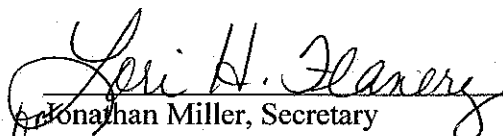
SUBJECT: Closing Schedule – Fiscal Year 2009-2010

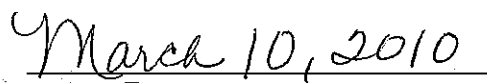
In accordance with KRS 45.229(2), the Finance and Administration Cabinet is legally required to close the old year accounts within thirty days of June 30. The schedule of closing procedures for fiscal year 2010 is attached. It includes the deadlines for final eMARS document approvals that apply to accounting, purchasing, budgeting, and personnel matters. It is important that all agencies comply with the document completion schedule and procedures outlined in this memorandum.

Purchases requiring Executive Order 2009-011 approval must go before the Exceptions Committee; the last day to obtain Exceptions Committee approval for fiscal year 2010 documents is Thursday, June 10, 2010. The last date the Office of Procurement Services will accept EO1 forms from agencies is noon on Wednesday, June 9, 2010. The agency needs to allow sufficient time for EO1 approval and the normal procurement process. A copy of the APPROVED EO1 must be attached at the header of all procurement/ payment documents.

During the closing period, it is important to segregate all transactions for goods and services received by June 30, 2010, from transactions for fiscal year 2011.

Deadlines vary according to type of transaction. No deadline is earlier than Thursday, April 1, 2010 and none is later than Friday, July 16, 2010. All transactions for fiscal year 2010 must be accepted in the eMARS Accounting System by close of business, Friday, July 9, 2010. After Friday, July 9, 2010, all transactions will post to fiscal year 2011 and will be charged to fiscal year 2011 allotments, except those journal voucher documents necessary to close out fiscal year 2010.


Jonathan Miller, Secretary
Finance and Administration Cabinet


Date


An Equal Opportunity Employer

March 10, 2010

The Closing Schedule shows the responsibility for approval of eMARS documents, whether Agency, Statewide Accounting Services (SAS), Office of Procurement Services (OPS), Office of the State Budget Director (OSBD), or Department of Treasury (Treasury). This should facilitate agency knowledge of document due dates for final fiscal year 2010 approval. Additional comments follow the charts. **Remember that the last date to post fiscal year 2010 documents is Friday, July 9, 2010. Only CA, JV, JVA, JV2P, JV2IN, JV2T, JV2E, JV2R, JVBK, and JVC documents will be allowed to post in fiscal year 2010 after this date, and only with override approval from Statewide Accounting Services.**

New Year Procurement document activity before Friday, June 11, 2010 must use non-accounting event types in order to validate and submit into workflow.

Ordered by Document Code

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
AD	Automated Disbursement	Agency	2010-06-30	2010-07-01
BRASS	Brass Allotment Modifications	OSBD	2010-07-16	
KBUD	KBUD Budget Requests/Modifications	OSBD		2010-05-01
CA	Cost Allocation	Agency	2010-07-15	2010-07-01
CH	Charge Transaction	Agency	2010-07-09	2010-07-01
CR	Cash Receipt (Funds 0100 and 1100)	Treasury	2010-06-30	2010-07-01
CR	Cash Receipt (Funds Non-0100 and Non-1100)	Treasury	2010-07-09	2010-07-01
CT	Contract (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required to RQS)	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
CT	Contract Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
CT2	Contract 2-Way Match (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required to RQS)	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
CT2	Contract 2-Way Match Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
CTT1	Contract KYTC (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
CTT1	Contract KYTC Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
CTT2	Contract 2-Way Match KYTC (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered

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Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
CTT2	Contract 2-Way Match KYTC Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
CWA	Check Writer Accounting	SAS	2010-07-09	2010-07-01
CWI	Check Writer Intercept Transfer	SAS	2010-07-09	2010-07-01
DO	Delivery Order (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
DO	Delivery Order (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
DO2	Delivery Order 2 Way Match (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
DO2	Delivery Order 2 Way Match (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
EFT	Electronic Funds Transfer	Agency	2010-06-30	2010-07-01
EO1	Executive Order	OPS	2010-06-09	
GAX	General Accounting Expense/Expenditure	Agency	2010-07-09	2010-07-01
GAX2	General Accounting Revenue Refund	Agency	2010-07-09	2010-07-01
GAX3	General Accounting Balance Sheet Payable	Agency	2010-07-09	2010-07-01
IA	Inventory/Stock Adjustment	Agency	2010-06-30	2010-07-01
IET	Internal Exchange Transaction	Agency	2010-06-30	2010-07-01
IT	Intercept Transfer	SAS	2010-06-30	2010-07-01
ITA	Internal Transaction Agreement	Agency	2010-06-30	2010-07-01
ITI	Internal Transaction Initiator	Agency	2010-06-30	2010-07-01
JV	Standard Journal Voucher	SAS	2010-07-16	2010-07-01
JV2E	Cash Expenditure Correction	Agency	2010-07-16	2010-07-01
JV2IN	Investment Adjustments	SAS	2010-07-16	2010-07-01
JV2P	Parks Receivable	SAS	2010-07-16	2010-07-01
JV2R	Cash Coll Earned Rev Corr	Agency	2010-07-16	2010-07-01
JV2T	Transfer	SAS	2010-07-16	2010-07-01
JVA	Advanced Journal Voucher	SAS	2010-07-16	2010-07-01
JVBK	Bank Transfer Journal Voucher	SAS	2010-07-16	2010-07-01
JVC	Cost Accounting Journal Voucher	SAS	2010-07-16	2010-07-01
MD	Manual Disbursement	Treasury	2010-07-09	2010-07-01
OB1	Management Budget	Agency	2010-07-16	2010-07-01
OC	Over the Counter Stock Issue	Agency	2010-07-09	2010-07-01
PO	PO, Request for Spec Auth, exception to sealed bid - all purchases and modifications (Allow sufficient time for	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if

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Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
	Rec by 6/30) (*Attach approved EO1 as required)			encumbered
PO	Purchase Order and Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
PO2	MOA/PSC exception as defined by KRS 45A.690 or agency exemption as defined by statute or the LRC – New Year PO2s requiring an effective date of 7/1 (*Attach approved EO1 as required)	OPS	NA	2010-04-01
PO2	MOA/PSC exception as defined by KRS 45A.690 or agency exemption as defined by statute or the LRC – Old Year PO2 modifications for services performed by 6/30 – Place Old Year in Document Description (*Attach approved EO1 as required)	OPS	2010-06-14	NA
PO2	PO2, Request for Spec Auth, exception to sealed bid - all purchases and modifications (Allow sufficient time for Rec by 6/30) (*Attach approved EO1 as required)	OPS	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
PO2	Purchase Order 2 Way Match and Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	2010-06-14	2010-05-14 if unencumbered 2010-06-11 if encumbered
PON2	Proof of Necessity Agreement- New Year PSC/MOA requiring an effective date of 7/1 (*Attach approved EO1 as required)	OPS	NA	2010-04-01
PON2	Proof of Necessity Agreement- Old Year PSC/MOA modifications for services performed by 6/30-Place Old Year in Document Description (*Attach approved EO1 as required)	OPS	2010-05-14	NA
PRC	Commodity Based PR (*Attach approved EO1 as required)	Agency	2010-07-09	2010-07-01
PRC2	Commodity Based PR Pro Card (*Attach approved EO1 as required)	Agency	2010-07-09	2010-07-01
PRCI	Commodity Based Internal PR	Agency	2010-07-09	2010-07-01
PRM	Matching PR – Normal (*Attach approved EO1 as required)	Agency	2010-07-09	2010-07-01
PRMI	Matching PR – Internal (*Attach approved EO1 as required)	Agency	2010-07-09	2010-07-01
RC	Receiver	OPS	2010-06-30	2010-07-01
RE	Receivable	Agency	2010-07-09	2010-07-01

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
RQS	Standard Requisition < \$20,000- all purchases (Allow Sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	2010-05-28	2010-05-14
RQS	Standard Requisition >= \$20,000 all purchases (Allow Sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	2010-04-09	2010-05-14
TP	Travel Payments	Agency	2010-07-09	2010-07-01

ADDITIONAL COMMENTS

AGENCIES

1. Imprest/Petty Cash Reimbursement Schedules. Final imprest cash reimbursement schedules for fiscal year 2010 must be processed on a GAX document type by close of business Friday, July 9, 2010 in order to charge old year funds. Reimbursements processed after Friday, July 9, 2010 will be charged to fiscal year 2011. Requests for amendments to present authorities should be sent to the Office of Procurement Services.

STATEWIDE ACCOUNTING SERVICES

1. Closing Dates. The Soft Close for accounting period 12/10 will be Wednesday, June 30, 2010. The Hard Close will be Friday, July 2, 2010. The Soft Close for accounting period 13/10 will be Friday, July 9, 2010. The Hard Close will be Friday, July 16, 2010.
2. Reimbursement Output. Reimbursement Output will be run on Friday, July 2, 2010 for transactions posted through Friday, July 2, 2010.

The chart below describes the accounting periods (i.e. Fiscal Month and Fiscal Year) that apply to documents generated by Reimbursement Output.

	BILLING DATES			
	JUNE 18	JUNE 25	JULY 2	JULY 9
Calendar Dates Covered	06/12-06/18	06/19-06/25	06/26-07/02	07/03-07/09
Open Accounting Periods (and possible transaction acceptance periods)	12/10	12/10	12/10 13/10 01/11	13/10 01/11
RE/CR accounting periods	12/10	12/10	13/10	01/11

3. Cost Allocation. Cost allocation will be run for accounting period 12/10 with the following schedule.
 - CHFS 7-1-2010
 - COT 7-2-2010
 - DMA 7-2-2010
 - OET 7-2-2010
 - GAPS 7-2-2010
 - FW 7-2-2010
 4. CA's created from the 12/10 allocation must be posted by COB Friday, July 2, 2010.
 5. Cost Allocation. Cost allocation will be run for accounting period 13/10 with the following schedule.
 - CHFS 7-12-2010
 - COT 7-13-2010
 - DMA 7-13-2010
 - OET 7-13-2010
 - GAPS 7-14-2010
 - FW 7-13-2010
 6. CA's created from the 13/10 allocation must be posted by COB Thursday, July 15, 2010.
 7. Encumbrances. **Most** budget fiscal year 2010 encumbrances will be liquidated in budget fiscal year 2010 and remaining balances will be established in budget fiscal year 2011 on Saturday, July 3, 2010. None of the encumbrances for capital projects will roll since their budget fiscal year remains the same throughout the life of the project. Encumbrances under \$1,000 for all other funds will not be liquidated and re-established in 2011. Fiscal year 2011 payments against these 2010 encumbrances must be paid on a standalone PRC document with a memo reference to the encumbering document. **We anticipate eMARS to be unavailable Saturday, July 3, 2010 through Monday, July 5, 2010 in order to complete the encumbrance roll.**
- Pending Encumbrance and Expenditure Transactions. All budget fiscal year 2010 pending encumbrance transactions, modifications, and cancellations (other than capital projects) must be posted prior to COB Friday, July 2, 2010 allowing the encumbrance roll to complete. All budget fiscal year 2010 pending expenditure transactions, modifications, and cancellations (other than capital projects) must be posted prior to COB Friday, July 9, 2010 creating final budgetary balances. Any of the above 2010 documents in the pending phase will be rejected back to draft phase after the specified dates.
8. Annual Financial Report and Annual Inventory. The Office of Statewide Accounting Services will be requesting closing financial data for the purpose of preparing the

Commonwealth's Comprehensive Annual Financial Report in compliance with Generally Accepted Accounting Principles (GAAP). The request will arrive about Thursday, May 13, 2010. Since the financial information being requested in the closing package is essentially the same as the last several years, training for the closing package will be offered by request only. Those agencies interested in receiving closing package training should contact Ellen Ballard at (502) 564-7753. Training sessions will be scheduled the week of June 7-11 based on the number of requests received.

9. Fixed Asset Inventory. Physical inventories must be performed for items over \$5,000 acquired before Friday, April 30, 2010. Certified inventory reports are due to the Office of Statewide Accounting Services by Friday, May 28, 2010. Physical Inventory Procedures are found at the following website:

<http://finance.ky.gov/ourcabinet/caboff/OOC/inventorycontrol.htm>

10. Because of statutory requirements, the Office of the State Budget Director and the Office of Statewide Accounting Services will not be able to unilaterally increase appropriations during the closing period.

OFFICE OF PROCUREMENT SERVICES

Purchase requests (RQS) for all goods that are not currently on contract that exceed the agency's small purchase limit shall be sent to the Finance and Administrative Cabinet, Office of Procurement Services, no later than Friday, April 9, 2010, for requests equal to or above \$20,000. Requests less than \$20,000 must arrive no later than Friday, May 28, 2010. All Purchase requests (RQS) shall be processed using the same procedures that were implemented by Executive Order 2009-011. The last meeting to obtain Executive Order 2009-011 approval for fiscal year 2010 purchases is Thursday, June 10, 2010; the EO1 form must be submitted to the Office of Procurement Services by noon on Wednesday, June 9, 2010. The agency must allow enough time for the approved disposition to be returned to them and attach it to the header of the RQS. The Finance and Administration Cabinet will not begin processing the RQS until the Executive Order request has been approved, with the exception of establishing Master Agreements. The agency must receive an approved EO1 document before the items can be purchased by any method. All items must be received no later than Wednesday, June 30, 2010, to be paid out of old year funds. If a purchase for furniture is authorized, the Division of Correctional Industries or the Division of Surplus Property shall be utilized whenever possible.

1. Purchase Requests (RQS) Equal to or Above \$20,000 (Old Year). Old Year purchase requests equal to or above \$20,000 must be received by the Office of Procurement Services (OPS) by close of business Friday, April 9, 2010, and delivery must be assured by Wednesday, June 30, 2010 in order to be paid out of fiscal year 2010 funds. Purchase requests submitted between now and Friday, April 9, 2010, should state in the document comments of the purchase request one of two statements: "Delivery is desired prior

to Wednesday, June 30, 2010,” allowing OPS to award the Contract and if delivery could not be made until after Wednesday, June 30, 2010, payment would be made with fiscal year 2011 funds; or “Delivery must be completed prior to June 30, 2010,” and if the vendor could not meet the delivery requirement, OPS would not issue a Contract. *If neither of the above statements is indicated, the purchase request will not be processed until this information is received from the requesting agency. It will be the agency’s responsibility to add the appropriate statement to the document comments prior to the Friday, April 9, 2010 deadline for fiscal year 2010 funding.* Due to the volume of old year purchase requests received by OPS, agencies are to submit their purchase requests as soon as possible. If an agency delays its requests until just before the deadline, the chances of processing and obtaining deliveries by Wednesday, June 30, 2010 are greatly reduced. *Agencies should also ensure that their purchase request provides complete information on the transaction (i.e. adequate specifications, best value criteria, suggested sources (added to the free form vendor section), quantity, estimated price, valid account codes, etc.).* This requirement does not apply to purchase requests for the establishment of master agreements since no encumbrance of funds is involved. Agencies should not submit requests for new year purchases before Friday, May 14, 2010, and must clearly state on the purchase request that delivery is not desired or required prior to July 1, 2010. Place this information in the document comments. All requests must comply with the Executive Order 2009-011 guidelines listed in the introductory paragraphs for this section.

2. Small Purchase Requests (RQS). For purchase requests that exceed an agency’s small purchase authority, the Office of Procurement Services (OPS) may exercise its Small Purchase Authority, to a maximum of \$20,000, when it can be determined that the purchase will not exceed the estimated amount in accordance with KRS 45A.100. The small purchase request should be received in OPS by close of business Friday, May 28, 2010 in order to allow time for required solicitation of quotations, encumbrance of funds, contract award, and vendor delivery by Wednesday, June 30, 2010. Purchase requests submitted between now and Friday, May 28, 2010 should state in the document comments of the purchase request one of two statements: “Delivery is desired prior to June 30, 2010,” allowing OPS to award the Contract and if delivery could not be made until after June 30, 2010, payment would be made with fiscal year 2011 funds; or “Delivery must be completed prior to June 30, 2010,” and if the vendor could not meet the delivery requirement, OPS would not issue a Contract. *If neither of the above statements is indicated, the purchase request will not be processed until this information is received from the requesting agency. It will be the agency’s responsibility to add the appropriate statement to the document comments prior to the Friday, May 28, 2010 deadline for fiscal year 2010 funding.* Due to the volume of old year purchase requests received by OPS, agencies are to submit their purchase requests as soon as possible. If an agency delays its requests until just before the deadline, the chances of processing and obtaining deliveries by Wednesday, June 30, 2010 are greatly reduced. *Agencies should also ensure that their purchase request provides complete information on the transaction (i.e. adequate specifications, best value criteria, suggested sources, quantity, estimated price, valid account codes, etc.) and has the approved disposition of the Executive Order 2009-011 process attached at the header.* The total aggregate amount cannot be artificially divided by submitting more than one requisition for the same item during the closeout period. This would be in violation of KRS 45A.100(2). Old year small purchase requests totaling \$20,000 or less will be awarded from fiscal year 2010 funds when delivery is guaranteed

and completed by Wednesday, June 30, 2010. Deliveries made after Wednesday, June 30, 2010 will be charged against fiscal year 2011 funds. All requests must comply with the guidelines listed in the introductory paragraphs for this section.

3. Purchase Orders, Requests for Approval for Special Authority, Exception to Sealed Bid. All requests for special authority contracts with a delivery date required before Wednesday, June 30, 2010 and payment from old year funds must arrive in the Office of Procurement Services (OPS) by close of business Monday, June 14, 2010 to allow adequate time for services to be performed and goods delivered by the end of the fiscal year. Special authority contracts that are for payment only must arrive in OPS by close of business Wednesday, June 30, 2010. All requests must comply with the guidelines listed in the introductory paragraphs for this section and with the requirements of the Finance Policies and Procedures Manual. **A copy of the APPROVED EO1 must be attached at the header of all procurement/ payment documents, along with all justifications.**
4. Modifications. All requests for changes to contracts issued by the Office of Procurement Services (OPS) that affect old year allotments must arrive in OPS by the close of business Wednesday, June 30, 2010. Agencies must process changes to their own contracts that affect old year allotments by close of business Wednesday, June 30, 2010.
5. Personal Service Contracts/Modifications/MOAs for Services performed by Wednesday, June 30, 2010. In order to guarantee payment from fiscal year 2010 funds, agencies must submit all requests for personal services to the Office of Procurement Services (OPS) by close of business Friday, May 14, 2010 to allow adequate time to process for the June meeting of the Legislative Research Commission (LRC). Agencies that do not process personal service contracts through OPS must submit all requests to LRC not later than Friday, May 28, 2010. Requests arriving in OPS after Friday, May 14, 2010 or LRC after Friday, May 28, 2010 will not be processed for approval prior to the end of fiscal year 2010 and shall be paid from fiscal year 2011 funds.

New Personal Service Contracts or MOAs that require an effective date so that services begin on Thursday, July 1, 2010. Agencies may submit to OPS beginning Thursday, April 1, 2010; and no later than Monday, June 21, 2010 to allow adequate time to process for the July meeting of the Legislative Research Commission (LRC).

6. Purchase Request Expiration. All purchase requests (pre-encumbrances) from fiscal year 2010 funds will expire at close of business Thursday, July 8, 2010. Agencies will be notified of all open requests that have not been posted to the web or awarded as contracts by Thursday, May 13, 2010. If an agency wishes to continue a request, the Office of Procurement Services needs to be notified by close of business Friday, May 28, 2010.

FUND BALANCES

1. General Fund. All General Fund balances at the close of the fiscal year shall lapse to the surplus account of the General Fund, with the exception of statutory or budget bill authorized continued appropriations.
2. Capital Projects Fund. Capital Projects fund balances (appropriations, allotments, cash, and encumbrances) will remain in the same budget fiscal year. No carry forward entries are required.
3. Road Fund. All Road Fund balances at the close of the fiscal year shall lapse to the surplus account of the Road Fund, with the exception of statutory or budget bill authorized continuing appropriations.
4. All Funds (except Capital Projects Fund). The final period cash report will serve as the ending balance resource as cash is no longer segregated by fiscal year. Agency funds are not allowed to close with negative balances. General Accounting staff will be working with agencies on the week of July 12 to clear these balances. On Friday, July 16, 2010 Statewide Accounting Services personnel will begin final preparations for the Hard Close. All allotment balances except continued appropriations will lapse.
5. Requests for Fund Transfers to the General Fund. Requests for fund transfers to the General Fund must be submitted in writing to the Office of the State Budget Director by close of business Wednesday, June 30, 2010.

PERSONNEL

1. Personnel Actions. Regular cut-off of June 15 will be observed for personnel action requests affecting the June 30 paychecks (for the first June pay period).
2. Payrolls. All payrolls processed by the Office of Statewide Accounting Services after June 30 will be charged to fiscal year 2011. The last off-cycle payroll posting to FY 2010 will occur on Wednesday, June 30, 2010.